

781—14.10(12C) Procedure upon default.

14.10(1) The acceptance of public funds by a credit union constitutes consent by the credit union to assessments to cover losses of public funds in other credit unions by the treasurer in accordance with Iowa Code section 12C.23 and the rules contained in this chapter.

14.10(2) The treasurer, upon notification from a public unit that a public unit has not been completely repaid its principal and interest for a deposit and that funds are not available from a letter of credit securing such deposit, shall assess all credit unions in the state with public deposits as provided in Iowa Code section 12C.23.

14.10(3) A credit union and any security given for the public funds in its possession are liable for payment if the credit union fails to pay a check, draft, or warrant drawn by the public officer or to account for a check, draft, warrant, order or certificates of deposit, or any public funds entrusted to it if, in failing to pay, the credit union acts contrary to the terms of an agreement between the credit union and the public body treasurer or, if the credit union fails to pay an assessment by the treasurer of state, when due.